

School District's Fiscal Year 2010 Financial Audit Contract

The State Committee for School District Audits has approved the fiscal year 2009-2010 Audit Contract. As a reminder, the FY 2009-2010 audit contracts are due to KDE's Division of District Operations and Transportation on **May 28th** and districts are to submit to the Division of District Operations and Transportation the initial Annual Financial Report and Balance Sheet by **July 25th** in accordance with KRS 157.060. The final Annual Financial Report and Balance Sheet should be submitted to the Division of District Operations and Transportation upon completion of the audit. It is important that audit work be scheduled as efficiently as possible so that timely submission is made of all reports to the Department of Education. It is also important that the Annual Financial Report and Balance Sheet be in agreement with the audit report.

There have been some changes to the contract and these changes are noted in red type with the attached fiscal year 2009-2010 Audit Contract, along with the following highlights:

1. Audit reports are due to the Division of District Operations and Transportation, Kentucky Department of Education, by close of business on **November 15, 2010**. If the audit cannot be completed on time, a written explanation describing the reasons for the request, must reach the Division of District Operations and Transportation by **October 1, 2010**.
2. The **School District** shall submit the Statement of Certification to ensure all audit adjustments have been entered into MUNIS and an Annual Financial Report and Balance Sheet are in agreement with the audit report that will be transferred to KDE.
3. The following reminders are included in the contract to assist the auditor:
 - In Appendix I, number 21 has been added to remind the auditor of the fund balance reporting requirements of GASB 54. Although GASB 54 requirements are effective for financial statements for periods beginning after June 15, 2010, KDE is conferring with various government entities regarding early implementation of this Statement for 2009-10 fiscal year audits.
 - In Appendix I, number 22 has been added to remind the auditor of the audit requirements for American Recovery and Reinvestment Act (ARRA) funds. Because ARRA funds are federal, they must be included in determining if an entity must have an A-133 (Single Audit) for the year; therefore districts that have previously been exempt, may now be required to have an A-133 audit.

If you have questions regarding the contract, please contact Kem Delaney-Ellis or Ken Smith, at 502-564-3846 or via email at Kem.Delaney-Ellis@education.ky.gov or Ken.Smith@education.ky.gov.